

**LEGISLATIVE EDUCATION STUDY COMMITTEE  
BILL ANALYSIS**

**Bill Number:** SB 570

**51st Legislature, 1st Session, 2013**

**Tracking Number:** .192388.1

**Short Title:** Increase for Certain School Employees

**Sponsor(s):** Senator Linda M. Lopez, Representative Rick Miera, and Others

**Analyst:** David Craig

**Date:** March 1, 2013

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**Bill Summary:**

SB 570 makes an appropriation to the Public Education Department (PED) for distribution through the State Equalization Guarantee (SEG) distribution for FY 14 for a variable rate increase in salary for school employees who earn less than \$20,000 per year.

Among its other provisions, SB 570:

- requires that this salary increase be applied after any other salary increase provided in the *General Appropriation Act of 2013* or any other legislation enacted this session and after any salary increase due to a promotion;
- specifies that the salary increase be 1.0 percent for every \$1,000 of the employee's gross earnings below \$20,000 per year; and
- provides that, in the case of an employee who works for more than one school district, the total 1.0 percent salary increase not exceed the amount required to meet the \$20,000 threshold.

**Fiscal Impact:**

\$10.57 million is appropriated to PED for distribution through the SEG.

Any unexpended or unencumbered balance remaining at the end of fiscal year 2014 shall revert to the General Fund.

**Fiscal Issues:**

According to information provided by PED, there are 14,158 public school employees who earn \$20,000 per year or less.

According to an analysis by staff at the Legislative Education Study Committee (LESC) (see attached "Table 1. Proposed Salary Adjustments to Public School Employees Adjusted Base") total proposed variable rate FY 14 salary increases to the adjusted base salary (those occurring *after* the proposed 1.0 percent) is \$10.57 million.

The language in SB 570 recognizes that if variable rate salary increases were to occur at the same time as other proposed salary increases, they could preclude prior salary adjustments for

merit or performance. For this reason, SB 570 applies any variable rate increase after any other scheduled or proposed increases.

**Technical Issues:**

There is no funding source listed in SB 570 for the appropriation; however:

- with the exception of funds that are transferred from the Taxation and Revenue Department for driver's license fees, the majority of SEG funding, approximately \$2.4 billion for FY 14, is from the General Fund; and
- the language in the bill that funds revert to the General Fund may imply a General Fund source.

If it is the intent to appropriate the funds from the General Fund, the sponsor may wish to consider adding language to that effect.

**Committee Referrals:**

SEC/SFC

**Related Bills:**

CS/HB 2 et al. *General Appropriations Act of 2013*  
\* HB 3a *Education Appropriation Act*  
HB 550 *Raise Minimum Wage for Tipped Employees*  
SB 359 *School Employee Program Units*  
SB 384 *Increase Judicial Salaries*  
SB 391 *Judicial Pay Increases Based on Service*  
SB 416a *Raise Minimum Wage*

**Table 1. Proposed Salary Adjustments to Public School Employees Adjusted Base**

Average Annual Salary Band	Employees	Total Salary	1% Increase (HB 3, CS/H AFC HB2)	New Total Salary	Var. Rate	Var. Incr. to Adj Base	Total Salary (Both Increases)
\$0 - \$999	129	\$80,578	\$806	\$81,384	20%	\$16,237	\$97,620
\$1,000 - \$1,999	169	\$239,811	\$2,398	\$242,209	19%	\$46,020	\$288,229
\$2,000 - \$2,999	178	\$454,713	\$4,547	\$459,261	18%	\$82,637	\$541,897
\$3,000 - \$3,999	199	\$697,823	\$6,978	\$704,801	17%	\$119,414	\$824,216
\$4,000 - \$4,999	210	\$932,681	\$9,327	\$942,008	16%	\$150,420	\$1,092,428
\$5,000 - \$5,999	328	\$1,799,250	\$17,993	\$1,817,243	15%	\$272,103	\$2,089,346
\$6,000 - \$6,999	488	\$3,229,202	\$32,292	\$3,261,494	14%	\$455,905	\$3,717,398
\$7,000 - \$7,999	516	\$3,843,335	\$38,433	\$3,881,768	13%	\$502,219	\$4,383,987
\$8,000 - \$8,999	591	\$5,038,125	\$50,381	\$5,088,506	12%	\$606,545	\$5,695,051
\$9,000 - \$9,999	576	\$5,448,664	\$54,487	\$5,503,151	11%	\$598,613	\$6,101,764
\$10,000 - \$10,999	563	\$5,894,013	\$58,940	\$5,952,953	10%	\$590,436	\$6,543,390
\$11,000 - \$11,999	532	\$6,109,531	\$61,095	\$6,170,627	9%	\$549,566	\$6,720,193
\$12,000 - \$12,999	512	\$6,393,488	\$63,935	\$6,457,423	8%	\$507,709	\$6,965,131
\$13,000 - \$13,999	1,718	\$23,053,643	\$230,536	\$23,284,180	7%	\$1,608,634	\$24,892,814
\$14,000 - \$14,999	1,660	\$24,023,580	\$240,236	\$24,263,815	6%	\$1,416,033	\$25,679,849
\$15,000 - \$15,999	1,458	\$22,469,134	\$224,691	\$22,693,825	5%	\$1,101,441	\$23,795,266
\$16,000 - \$16,999	1,412	\$23,199,342	\$231,993	\$23,431,336	4%	\$901,566	\$24,332,902
\$17,000 - \$17,999	1,194	\$20,896,996	\$208,970	\$21,105,966	3%	\$598,416	\$21,704,382
\$18,000 - \$18,999	973	\$17,940,902	\$179,409	\$18,120,311	2%	\$334,534	\$18,454,846
\$19,000 - \$19,999	715	\$13,926,842	\$139,268	\$14,066,111	1%	\$111,710	\$14,177,820
\$20,000	37	\$740,000	\$7,400	\$747,400	0%	\$0	\$747,400
<b>TOTAL</b>	<b>14,158</b>	<b>\$186,411,655</b>	<b>\$1,864,117</b>	<b>\$188,275,771</b>		<b>\$10,570,158</b>	<b>\$198,845,929</b>

Source: PED Student Teacher Accountability Reporting System (STARS) Data as of 2/21/13

LESC - 2/21/13